

HOUSE BILL No. 1511

DIGEST OF INTRODUCED BILL

Citations Affected: IC 16-18-2; IC 16-28-2.5; IC 16-29-6-9.

Synopsis: Nursing facility restrictions. Prohibits the state department of health from approving: (1) the licensure of comprehensive care health facilities; (2) new or converted comprehensive care beds; or (3) the certification of new or converted comprehensive care beds for participation in the state Medicaid program; through June 30, 2018. Makes exceptions for certain facilities that are: (1) under development; (2) small house health facilities; (3) replacement facilities; (4) continuing care retirement communities; and (5) facilities located in counties whose comprehensive care bed occupancy rate exceeds 90%. Limits small house facilities to 100 new licensed or Medicaid certified comprehensive care beds per year.

Effective: June 30, 2015; July 2, 2015.

Brown T, Brown C

January 20, 2015, read first time and referred to Committee on Public Health.



First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE BILL No. 1511

A BILL FOR AN ACT to amend the Indiana Code concerning health.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 16-18-2-67, AS AMENDED BY P.L.229-2011,
2 SECTION 155, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE JULY 2, 2015]: Sec. 67. (a) **"Comprehensive care**
4 **bed", for purposes of IC 16-28-2.5, has the meaning set forth in**
5 **IC 16-28-2.5-2.**
6 (a) ~~"Comprehensive care bed", for purposes of IC 16-28-16, has the~~
7 ~~meaning set forth in IC 16-28-16-2.~~
8 (b) "Comprehensive care bed", for purposes of IC 16-29-2, has the
9 meaning set forth in IC 16-29-2-1.
10 SECTION 2. IC 16-18-2-67.1 IS ADDED TO THE INDIANA
11 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
12 [EFFECTIVE JULY 2, 2015]: **Sec. 67.1. "Comprehensive care health**
13 **facility", for purposes of IC 16-28-2.5, has the meaning set forth in**
14 **IC 16-28-2.5-3.**
15 SECTION 3. IC 16-18-2-316.6 IS ADDED TO THE INDIANA



CODE AS A NEW SECTION TO READ AS FOLLOWS
[EFFECTIVE JULY 2, 2015]: **Sec. 316.6. "Replacement facility", for purposes of IC 16-28-2.5, has the meaning set forth in IC 16-28-2.5-4.**

SECTION 4. IC 16-28-2.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 2, 2015]:

Chapter 2.5. Licensure and Certification Limitations

Sec. 1. This chapter does not apply to the conversion of acute care beds to comprehensive care beds under IC 16-29-3.

Sec. 2. (a) As used in this chapter, "comprehensive care bed" means a bed that:

- (1) is within a comprehensive care health facility licensed under IC 16-28-2;
- (2) functions as a bed within a comprehensive care health facility licensed under IC 16-28-2; or
- (3) is otherwise subject to this article.

(b) The term does not include a comprehensive care bed that will be used solely to provide specialized services.

Sec. 3. As used in this chapter, "comprehensive care health facility" means a health facility that provides:

- (1) nursing care;
- (2) room;
- (3) food;
- (4) laundry;
- (5) administration of medications;
- (6) special diets; and
- (7) treatments;

and that may provide rehabilitative and restorative therapies under the order of an attending physician.

Sec. 4. As used in this chapter, "replacement facility" means a new comprehensive care health facility licensed under or subject to this article after July 1, 2015, that:

- (1) is constructed to take the place of an existing comprehensive care health facility that is licensed before July 2, 2015;
- (2) is constructed within the same county of the existing comprehensive care health facility licensed before July 2, 2015; and
- (3) contains no more comprehensive care beds than the existing comprehensive care health facility licensed before July 2, 2015.



1 **Sec. 5. As used in this chapter, "under development" refers to**
 2 **a health facility license application:**

3 **(1) to add, construct, or convert comprehensive care beds in**
 4 **a comprehensive care health facility that:**

5 **(A) is licensed under;**

6 **(B) is to be licensed under;**

7 **(C) is subject to; or**

8 **(D) will be subject to;**

9 **this article; and**

10 **(2) that meets all the following:**

11 **(A) Architectural plans have been completed.**

12 **(B) Funding to construct the comprehensive care health**
 13 **facility has been secured and is actively being drawn upon**
 14 **or otherwise used to further and complete construction.**

15 **(C) Zoning requirements have been met.**

16 **(D) Construction plans for the comprehensive care health**
 17 **facility have been submitted to the state department and**
 18 **the division of fire and building safety.**

19 **(E) Active and ongoing construction activities progressing**
 20 **to completion of the project are occurring at the project**
 21 **site.**

22 **Sec. 6. (a) Except as provided in subsection (b), the state**
 23 **department may not approve the following:**

24 **(1) The licensure of:**

25 **(A) comprehensive care health facilities; or**

26 **(B) new or converted comprehensive care beds.**

27 **(2) The certification of new or converted comprehensive care**
 28 **beds for participation in the state Medicaid program unless**
 29 **the statewide comprehensive care bed occupancy rate is more**
 30 **than ninety-five percent (95%), as calculated annually on**
 31 **January 1 by the state department.**

32 **(3) Transfer between any comprehensive care facilities of**
 33 **licensed comprehensive care beds or comprehensive care bed**
 34 **certifications for participation in the state Medicaid program.**

35 **Beds in a health facility that provides residential nursing care**
 36 **under IC 16-28 may not be converted to comprehensive care beds.**

37 **(b) This section does not apply to the following:**

38 **(1) A comprehensive care health facility that:**

39 **(A) is licensed under;**

40 **(B) is to be licensed under;**

41 **(C) is subject to; or**

42 **(D) will be subject to;**



1 this article and that is under development as of July 1, 2015.

2 (2) A small house health facility approved under section 7 of
3 this chapter.

4 (3) A replacement facility, whether or not the replacement
5 facility is under development before July 2, 2015. The existing
6 comprehensive care health facility that is being replaced by
7 the replacement facility:

8 (A) must no longer be licensed as a comprehensive care
9 health facility sixty (60) days after the replacement facility
10 obtains its license from the state department; and

11 (B) may transfer any of the comprehensive care beds to the
12 replacement facility.

13 (4) A continuing care retirement community that was
14 registered under IC 23-2 before July 2, 2015, and that
15 continuously maintains its registration under IC 23-2. If a
16 continuing care retirement community fails to maintain
17 registration under IC 23-2 after July 1, 2015, the
18 comprehensive care beds, including beds certified for use in
19 the state Medicaid program or the Medicare program, that
20 the continuing care retirement community previously
21 operated are not forfeited as long as the continuing care
22 retirement community continues to comply with the licensure
23 and certification requirements of this article.

24 (5) A comprehensive care health facility or a comprehensive
25 care bed that is to be added or certified in the state Medicaid
26 program in a county where the county's comprehensive care
27 bed occupancy rate exceeds ninety percent (90%), as
28 calculated by the state department on January 1 and July 1 of
29 each year. The number of comprehensive care beds allowed
30 under this subdivision may not exceed either:

31 (A) the number of beds that would cause the county
32 occupancy rate to fall below the statewide average; or

33 (B) seventy (70) comprehensive care beds per applicant.

34 (c) The state department shall make the final determination
35 concerning whether an entity has met or is meeting the
36 requirements of this chapter concerning being under development.

37 Sec. 7. (a) A small house health facility that is applying for
38 licensure under this article, including an entity related to the small
39 house health facility through common ownership or control, may
40 apply to the state department for licensure or Medicaid
41 certification of not more than fifty (50) comprehensive care beds
42 for small house health facilities per year.



1 (b) The state department may not approve licensure or
 2 Medicaid certification of more than one hundred (100) new
 3 comprehensive care beds per year that are designated for small
 4 house health facilities.

5 (c) The state department shall approve an application for
 6 licensure or Medicaid certification for a small house health facility:

7 (1) in the order of the completed application date; and

8 (2) if the small house health facility applicant meets the
 9 definition of a small house facility and the requirements of
 10 this section.

11 (d) A person that fails to complete construction and begin
 12 operation of a small house health facility within twelve (12) months
 13 after the state department's approval of a license under this article
 14 forfeits the person's right to any licensed or Medicaid certified
 15 comprehensive care bed that was previously approved by the state
 16 department if:

17 (1) another person has applied to the state department for
 18 approval of licensed or Medicaid certified comprehensive care
 19 beds for a small house health facility; and

20 (2) the person's application was denied for the sole reason that
 21 the maximum number of Medicaid licensed or certified
 22 comprehensive care beds specified in this section has been
 23 approved by the state department.

24 **Sec. 8. This chapter expires June 30, 2018.**

25 SECTION 5. IC 16-29-6-9, AS ADDED BY P.L.229-2011,
 26 SECTION 164, IS AMENDED TO READ AS FOLLOWS
 27 [EFFECTIVE JUNE 30, 2015]: Sec. 9. This chapter expires at **11:59**
 28 **p.m. July 1, 2016: 2015.**

